

# MANAGEMENT MEMO

<b>SUBJECT:</b> <b>VEHICLE SELF-INSURANCE RATES</b> <b>2000/2001 FISCAL YEAR</b>	<b>NUMBER:</b> 00-03
	<b>DATE ISSUED:</b> 05/26/00
	<b>EXPIRES:</b> 05/26/01
<b>REFERENCES:</b> Government Code Sections 11290(a), 16378, 16379 Supersedes Management Memo 99-07	<b>ISSUING AGENCY:</b> Department of General Services

The state Motor Vehicle Self-Insurance rates for the 2000/2001 fiscal year will again experience an overall reduction in rates. The rates will decrease by an average of three percent over 2000/2001 rates. The State Motor Vehicle Self-Insurance Program is funded through premium charges to state agencies that own vehicles. Under self-insurance, the participation of a large group of state agencies helps to ease dramatic increases or decreases in premium amounts required. However, because specific rates are largely determined by each department's individual claims history, some departments may experience decreases greater than the statewide average, while others will experience an increase.

Due to fluctuations in the state's vehicle inventory, the 2000/2001 rates are based on premium amounts determined from the claims history of each department, in conjunction with the total claims history of the state. Rates and inventory are calculated and taken annually, but are not used to determine the total premium required. If individual departments wish to revise their vehicle inventory during the fiscal year, the total premium amount would not change, even though the vehicle rate could change depending upon the new inventory. The vehicle rate information for fiscal years 1999/2000 and 2000/2001 and the vehicle inventory of June 30, 1999 are shown in Attachment I for departments who wish to use the vehicle rate information internally or for comparison purposes. For information purposes, vehicle inventories are prepared by departments and submitted annually to the Department of General Services, Office of Fleet Administration.

For departments which are included in the "All Others" category (those not in the 21 largest as listed), the premium amounts required will be calculated using the total premium required by those departments and the June 30, 1999 vehicle inventory. This will assure that the total premium necessary to meet each department's amount due will be paid into the fund. As in the case with the 21 largest departments, revisions to the vehicle inventory for departments in the "All Others" category will not change the total premium due.

During the last fiscal year the ORIM has received inquiries on the usage of vehicles other than state-owned. Following is a list of those type of vehicles and the liability coverage for each. Please disseminate this information to those employees who drive on state business.

## Commercial Rental Vehicles

While on state business, state employees should always rent vehicles from one of the contracted commercial car rental agencies. Members of the legislative and judicial branches, as well as Constitutional Officers are also encouraged to rent from these state contracted agencies.

The primary advantage of using a contracted commercial car rental agency is that they provide \$500,000 liability coverage for both the employee and the state when an employee rents a vehicle using either the Department of General Services' charge card or the State of California American Express State Government Card. The contracted commercial car rental agency is also prohibited from seeking reimbursement for damage to the rental vehicle from the renter or state as well. The following are the eight commercial car rental companies that are contracted to provide vehicles to the State of California: Alamo, Avis, Bay Area Rentals, Budget, Dollar, Enterprise, National, and Thrifty. Some of these companies may provide insurance on rentals outside of California. For more information, visit the Office of Fleet Administration (OFA) website at [www.ofa.dgs.ca.gov](http://www.ofa.dgs.ca.gov).

### **Non-Contract Rental Vehicles**

If an employee traveling on state business rents from a non-contract rental agency and an accident, claim or lawsuit results from the rental, the State Motor Vehicle Liability Self-Insurance Program will defend and indemnify the employee. Upon resolution of the claim or lawsuit, however, the total cost of any settlement or judgment as well as adjusting and legal expenses will be billed to the employee's department. This amount will be *in addition* to the rate charged that department for its share of the current fiscal year's vehicle liability self-insurance premiums.

For further information regarding the Vehicle Self-Insurance Rates, please call Jan Dietz, Office of Risk and Insurance Management, at (916) 322-8970 or email at [jan.dietz@dgs.ca.gov](mailto:jan.dietz@dgs.ca.gov). If you have a question concerning liability coverage for contracted commercial car rentals, please contact Sylvia Tang, Statewide Travel Management Program Administrator, Office of Fleet Administration, at (916) 327-2068 or email at [sylvia.tang@dgs.ca.gov](mailto:sylvia.tang@dgs.ca.gov).



CLIFF ALLENBY, Interim Director  
Department of General Services

Attachment

**ATTACHMENT I**  
**2000/2001 MOTOR VEHICLE SELF-INSURANCE RATES**

<i>Department</i>	<i>1999/2000 Vehicle Rate</i>	<i>1999/2000 Premium Requirement</i>	<i>2000/2001 Vehicle Inventory</i>	<i>2000/2001 Vehicle Rate</i>	<i>2000/2001 Premium Requirement</i>
<i>Conservation Corps</i>	\$183	\$ 88,300	508	\$195	\$98,860
<i>Consumer Affairs</i>	120	128,894	1,198	\$113	135,580
<i>Corrections</i>	159	800,473	5,121	\$173	887,415
<i>DDS</i>	162	86,731	658	\$151	99,303
<i>Distr Ag Associations</i>	96	78,815	830	\$109	90,637
<i>EDD</i>	133	56,972	427	\$144	61,339
<i>Fish &amp; Game</i>	187	332,548	1,888	\$180	339,761
<i>Food &amp; Agriculture</i>	550	345,549	642	\$397	254,846
<i>Forestry</i>	157	459,201	2,992	\$159	475,828
<i>General Services</i>	256	1,492,751	5,879	\$269	1,584,261
<i>Highway Patrol</i>	1,234	4,817,629	3,966	\$1,027	4,074,245
<i>Justice</i>	391	292,875	913	\$292	266,150
<i>Lottery</i>	400	123,690	238	\$521	123,944
<i>Mental Health</i>	91	58,058	492	\$105	51,547
<i>Motor Vehicles</i>	216	77,488	402	\$219	88,011
<i>Parks &amp; Recreation</i>	266	377,470	1,476	\$264	388,927
<i>Prison Industry Authority</i>	80*	79,200	1,031	\$80*	82,480
<i>State University</i>	125	342,651	2,930	\$127	371,444
<i>Transportation</i>	602	5,832,436	10,345	\$571	5,902,439
<i>Water Resources</i>	169	213,637	1,260	\$157	197,624
<i>Youth Authority</i>	254	150,742	602	\$181	109,223
<i>All Others</i>	<u>522</u>	<u>844,655</u>	<u>1,628</u>	<u>\$524</u>	<u>853,009</u>
 <i>Total Premium, Inventory, &amp; Average Rate</i>	 \$390	 \$17,080,765	 45,426	 \$364	 \$16,536,873

\* Minimum rate per vehicle = \$80